

HF1012 - 2E - "Home and Community Based Residency"

Chief Author: **Matt Dean**  
 Committee: **Health and Human Services Finance**  
 Date Completed: **04/07/2015**  
 Agency: Human Services Dept

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2015	FY2016	FY2017	FY2018	FY2019
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
<b>Total</b>	-	-	-	-	-

**Executive Budget Officer's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

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**State Cost (Savings) Calculation Details**

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2 Dollars in Thousands	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
<b>Total</b>	-	-	-	-	-
<b>Biennial Total</b>			-		-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>					
<b>Total</b>	-	-	-	-	-
<b>Biennial Total</b>			-		-
<b>2 - Revenues, Transfers In*</b>					
<b>Total</b>	-	-	-	-	-
<b>Biennial Total</b>			-		-

**Bill Description**

HF 1012-0 modifies the definition of home and community-based settings (HCBS) for the Community Alternatives for Disabled Individuals (CADI), Developmental Disabilities (DD), Community Alternative Care (CAC), and Brain Injury (BI) waiver programs.

Lines 1.10 through 1.14 add compliance with home and community-based settings requirements identified by the federal Centers for Medicare and Medicaid Services regulations and the federally approved transition plans for the waivers.

Lines 1.15 to 1.22 remove size and concentration requirements for HCBS settings, with the exception of settings required by the Housing Opportunities for Persons with AIDS Program

Lines 1.23 to 1.28 remove language as to what HCBS settings are not to be, including:

- a building that is a publicly or privately operated
- a facility that provides institutional treatment or custodial care;
- a building on the grounds of or adjacent to a public or private institution;
- a housing complex designed expressly around an individual's diagnosis or disability, unless required by the Housing Opportunities for Persons with AIDS Program
- a setting segregated based on a disability, either physically or because of setting characteristics, from the larger community

Lines 2.27 to 2.29 establish an expiration date of March 17, 2019 for the three exceptions to the existing state law.

Line 2.30 specifies that the effective date of this section is July 1, 2016.

**Assumptions**

The federal Centers for Medicare and Medicaid Services (CMS) published a final rule regarding Medicaid Home and Community-Based Services (HCBS) in January 2014, with an effective date of March 17, 2014. This rule defined criteria for settings in which HCBS services are provided. For existing programs, states must come into compliance within five

years of the effective date of the rule. Minnesota has submitted a transition plan to CMS that describes how it will ensure all programs are in compliance, which is referenced in the bill.

Effective July 1, 2016 HF1012-2E replaces state defined criteria for home and community-based settings with the criteria defined in the CMS rule and Minnesotas transition plan. The current statute establishes size and concentration requirements for HCBS settings and defines settings that do not qualify as home and community based. The fiscal impact of these criteria has been to limit congregate care settings that tend to be more expensive service options for people using waiver programs. This bill is not expected to have a cost to the Medical Assistance Program because the CMS rule and transition plan will have a similar effect as the current criteria in statute.

HF1012-2E will require all settings to meet the criteria in the CMS rule and the transition plan. It does not create any new exceptions and will require all current exceptions to expire on March 17, 2019, the same date that Minnesotas transition plan must be complete.

In addition, this bill does not change other limits on congregate care settings, such as the number of people who can live together in foster care or the moratoriums on development of new foster care and Intermediate Care Facilities (ICF/DD).

**Expenditure and/or Revenue Formula**

N/A

**Long-Term Fiscal Considerations**

N/A

**Local Fiscal Impact**

N/A

**References/Sources**

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